

29 April 1977

MEMORANDUM FOR THE RECORD

SUBJECT: Midcareer Course No. 56 Meeting with
Mr. Knoche, 29 April 1977

1. Mr. Knoche spent one hour today with the Mid-careerists. He started off by saying that the Agency has a good relationship with the new Administration stemming from the way the Agency responded to requests made by the incoming Administration during the transition period. He said President Carter is greatly interested in the whole intelligence process and recognizes the need for "covertness." The President was initially critical of the PDB, feeling that our "best" intelligence was not in it (probably, he realized, because of its rather wide distribution). Since the number of recipients of this publication has been decreased, its content has been well received.

2. Mr. Knoche said there is currently much discussion about what the role of the DCI should be. PRM 11 is looking at three aspects of this problem: (1) the laws and sanctions (Attorney General); (2) the role of the DCI, its strengths and weaknesses and alternatives (IC Staff); and (3) alternative ways of organizing the intelligence community (NSC/Brzezinski). The issue of who gets the real control of the community always boils down to what you do with the Director of Central Intelligence. There seem to be several choices:

- (1) cut him away from CIA and create an "intelligence czar";
- (2) "fine tune" the current situation, ensuring the DCI greater access to program managers in the Community;
- (3) elevate the DCI and have separate agencies (NRO, CIA, NSA) report directly to him.

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29 April 1977

Mr. Knoche feels that the concept of a separate DCI may have finally found its time. He believes that the importance of the CIA today is clearly understood on the Hill and in the White House, and although the NIO may be the vehicle for surfacing much of the work we do, we can still take pride in the fact that it is the Agency that gets the work done and done well.

3. Mr. Knoche said he has always been upbeat about morale in the Agency but recently he senses a shift that has him concerned. He cited as reasons for this deterioration in morale the continued media exaggerations about CIA; strain associated with the uncertainty of new leadership; the charges made in the [REDACTED] letter forcing people to 25X1A take sides; and the recent resignations of two employees for improper conduct which has made the DCI seem threatening.

4. In response to a question regarding the EAG study on Agency personnel management, Mr. Knoche said that he ~~doesn't feel the Agency is organized properly for dynamic personnel management.~~ He feels too much authority for personnel management is delegated to working components and not enough responsibility remains with the central Office of Personnel. He would like to change this and mentioned attaching the Office of Personnel to the Office of the Director.

5. The DDCI was questioned about Admiral Turner's stress on his role as leader of the Intelligence Community rather than as the Director of the Central Intelligence Agency. Mr. Knoche acknowledged that the DCI has not been very visible in the Agency and opined that the pressures of the job are likely to keep it that way. He did say, however, that the Admiral's talk on the recent resignations was liberally sprinkled with references to "our Agency."

6. Mr. Knoche was asked about the formation of a group of mid-level DDO officers who were concerned about the allegations in the [REDACTED] letter. Mr. Knoche said both he and Admiral Turner had met with this group of employees and that Mr. Wells had spent about six hours with them. Basically, the group believes there is substance to the

CONFIDENTIAL

SUBJECT: Midcareer Course No. 56 Meeting with Mr. Knoche,
29 April 1977

25X1A

charges made by [REDACTED] particularly in the area of personnel management. The lack of promotion opportunities caused by keeping "dead wood" at the top was specifically cited, as well as a skepticism that there is a truly protected way an employee can go to the Inspector General without the eventual knowledge of his office. Mr. Knoche said there is another DDO group of more senior employees who, ironically, have almost diametrically opposed opinions to this younger group of officers.

7. Mr. Knoche was asked to comment on the future of the DDO. He said that even though covert action has dropped off and probably will not increase in the near term, there is no disagreement that we must maintain a capability for it. He said that since DDO is the only way to get "decision-making" intelligence, it must be close to the analytical machinery. In the area of community reorganization, he went on to say that if the DCI moves out of the Agency, he must keep certain things, namely, resource control, production responsibility, NIO's and the DDI. In response to a question regarding the possibility of the DDS&T being removed from the Agency, Mr. Knoche said that possibly the DDS&T could be combined with other such elements in the government to form a "super collection Agency", but cautioned that at present this is only a concept.

8. Mr. Knoche closed the session by saying that many of our former critics have modified their opinion of the Agency after they assumed high level positions in the government that brought them into contact with the Agency and its product. He said although we know we're good, we must not maintain the attitude of superiority which in the past has caused hard feelings toward us from within the Community.



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